

Regulations of the Board of Directors of AEDAS
HOMES S.A

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CHANGE TRACKING

Version	Date	Section	Description of the changes
1	11/09/2017		Initial version.
2	25/07/2019		<p>Include the signing of minutes by electronic means such as DocuSign or similar means that provide evidence of the authenticity of the signatures.</p> <p>Allow the Appointments and Remuneration Committee to prepare its own Regulations in order to determine its composition, powers and operation.</p>
3	23/03/2022		<p>AEDAS Homes format, adaptation to Act 11/2018, of 28 December, amending the Spanish Commercial Code, the consolidated text of the Spanish Companies Act, approved by the Royal Legislative Decree 1/2010, of 2 July, and Act 22/2015, of 20 July, on Auditing, with regard to non-financial information and diversity, Act 5/2021 of 12 April, amending the Spanish Companies Act with regard to the promotion of the long-term involvement of shareholders in listed companies, to the new version of certain recommendations of the Good Governance Code of Listed Companies approved by the National Securities Market Commission, following its amendment in June 2020 and other technical improvements.</p>

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TITLE I - PREAMBLE

ARTICLE 1. OBJECTIVE OF THE REGULATIONS AND VALIDITY

1. These regulations aim to set out the guiding principles of the Board of Directors of Aedas Homes, S.A. (the "Company") as well as the basic rules governing its organisation and functioning and the rules of conduct that apply to its members.
2. The rules of conduct established in these regulations and applying to the Company's Directors will also apply to the Company's management personnel to the extent they are compatible with the specific nature thereof and with the activities carried out thereby. For the purposes of these regulations, "management personnel" is understood to be those executives reporting directly to the Board of Directors or to the Chief Executive Officer, where such a figure exists, and, in any case, to the Company's Internal Audit Director.
3. These regulations will enter into force on the date the Company's shares are admitted to trading on the Spanish Stock Exchanges. The regulations will be in force for an indefinite period.

ARTICLE 2. INTERPRETATION

1. These regulations complete the regulatory rules governing the Board of Directors, as set forth in prevailing legislation and the Company's Bylaws. The regulations must be interpreted in accordance with applicable prevailing legislation and the Bylaws and with the good governance principles and recommendations for listed companies approved or issued by Spanish authorities and the authorities of any relevant countries, as well as by special committees or work groups established by such authorities.
2. The Board of Directors is responsible for resolving any questions surrounding the application and interpretation of these regulations in accordance with the general criteria on interpretation of legal regulations and with the Bylaws.

ARTICLE 3. APPROVAL AND AMENDMENT

1. These regulations have been approved by the Board of Directors, reported to the shareholders in the Annual General Meeting and at the proposal of the Chairman of the Board, in compliance with article 528 of the Consolidated Text of the Spanish Limited Liability Companies Law, approved by Royal Legislative Decree 1/2010 of 2 July (the "Spanish Limited Liabilities Companies Law").
2. The present regulations may only be amended upon the proposal of the Chairman of the Board of Directors or of one-third of Directors. In any case, any amendment proposal must be accompanied by a report setting out the grounds therefor.
3. The proposed text and the supporting report must be included in the notice to the Board meeting at which the matter will be discussed. The meeting notice must be distributed at least 48 hours prior to the scheduled meeting time.
4. For any amendment of the regulations to be valid, the pertinent resolution must be passed by the absolute majority of the members of the Board of Directors present either in person or through proxy.
5. These regulations must be updated whenever necessary in order to adapt their content to prevailing applicable regulations.

ARTICLE 4. CIRCULATION

1. Directors are required to be familiar with, comply with and enforce these regulations. To that end, the Secretary of the Board of Directors will provide all Directors with a copy of the regulations at the time they accept their respective appointments or at the effective hiring date,

as applicable. Directors must provide the Secretary with a signed statement acknowledging that they are aware of and accept the content of these regulations and undertake to comply with any and all obligations falling to them by virtue thereof.

2. Notwithstanding fulfilment of the obligations set out under prevailing applicable legislation from time to time, the Company's Board of Directors will adopt the necessary measures so that the regulations are distributed among shareholders and the investor public in general and, in particular, so that they are duly filed with the Spanish Securities Market Commission (Comisión Nacional del Mercado de Valores, CNMV). Once this notice is filed, the regulations will be entered in the Companies Registry in accordance with general provisions. Following that, the text will be published by the Spanish Securities Market Commission. Furthermore, the prevailing text of these regulations will be available on the Company's corporate website.

TITLE II - FUNCTIONS OF THE BOARD OF DIRECTORS

ARTICLE 5.- POWERS OF THE BOARD OF DIRECTORS

1. The Board of Directors is responsible for any and all matters that are not reserved for the General Shareholders' Meeting pursuant to prevailing legislation or the Bylaws.
2. As a general rule, the Board of Directors, to which the broadest powers and authority to manage, direct, administer and represent the Company correspond, will entrust day-to-day operation of the Company to delegate bodies and to the management team, establishing the pertinent content, limits and structures. The Board's activity will focus on general supervision and on the consideration of those matters of particular importance for the Company.
3. Those powers that are legally or statutorily reserved for the exclusive knowledge of the Board of Directors will not be delegated, nor will those powers that are necessary for the responsible discharge of the general supervisory duty.
4. Notwithstanding the legal powers of delegation for the execution of resolutions, the Board of Directors may not delegate the following responsibilities and duties:
 - i. Supervising the effective operation of the Committees that the Board has formed and the actions of the delegated bodies and the executives appointed.
 - ii. Authorising or exempting Directors from their loyalty undertakings in accordance with prevailing legislation.
 - iii. Authorising for issue the annual financial statements, management report, including, where appropriate, the non-financial information statement, and proposed distribution of profit or application of losses, as well as the consolidated annual financial statements and management report, for submission to the General Shareholders' Meeting.
 - iv. Preparing any type of report required from the Board by Law, providing that the matter to which the report refers cannot be delegated.
 - v. Calling the General Shareholders' Meeting and publishing meeting notices, and preparing the agenda and proposed resolutions.
 - vi. Carrying out the Company's Treasury Share Policy within the framework of the authorisation granted by the General Shareholders' Meeting.
 - vii. Approving the Strategic or Business Plan, the management targets and annual budgets, the Investment and Financing Policy, the Corporate Social Responsibility Policy and the Dividends Policy.
 - viii. Determining the Risk Management Policy, including for tax risks, and supervising internal control and reporting systems.
 - ix. Determining the Corporate Governance Policy of the Company and its group, as well as the organisation and functioning thereof.
 - x. Approving the financial information that all listed companies must periodically disclose.
 - xi. Supervising the process of drawing up and presenting the financial information and the management report, including, when appropriate, required non-financial information, and submitting recommendations or proposals to the management body aimed at preserving

its integrity.

- xii. Design of the structure of the corporate group of which the Company is the parent.
 - xiii. Approving investments, divestments and operations considered strategic or to present special tax risks, by virtue of their amount or special characteristics, unless their approval falls to the General Shareholders' Meeting.
 - xiv. Approving the creation or acquisition of shares in special purpose vehicles or entities resident in jurisdictions considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group.
 - xv. Approving, on the basis of a report from the Audit and Control Committee, related-party transactions as defined in the applicable legislation from time to time.
 - xvi. Determining the Company's tax strategy.
 - xvii. Appointing Directors through the co-optation procedure and submitting proposals to the General Shareholders' Meeting in respect of the appointment, ratification and re-election of Directors not classified as independent directors, on the basis of a report by the Appointments and Remuneration Committee, or on the removal of Directors, as well as formally receiving Director resignations.
 - xviii. Approving, where applicable, a detailed and verifiable Director Selection Policy which ensures that appointment and re-election proposals are based on a prior analysis of the needs of the Board and which encourages a diversity of knowledge, experience and genders on the Board.
 - xix. Approving the remuneration to be paid to each Director, based on a proposal from the Appointments and Remuneration Committee, in accordance with the Remuneration Policy approved by the General Shareholders' Meeting.
 - xx. Appointing and removing Chief Executive Officers and approving termination agreements therefor, and providing prior authorisation for contracts between the Company and Executive Directors, with the majority vote foreseen for these purposes in article 17.4 of these regulations.
 - xxi. Appointing and removing Directors from internal Board positions and appointing and removing Board Committee members from committee posts.
 - xxii. Appointing and removing management personnel and approving termination agreements therefor, on the basis of a report from the Appointments and Remuneration Committee, as well as approving their compensation clauses.
 - xxiii. Approving the Remuneration Policy for management personnel reporting to the Chief Executive Officer, as well as the basic conditions of their contracts and their termination agreements, at the proposal, where applicable, of the chief executive officer, based on a report by the Appointments and Remuneration Committee.
 - xxiv. Announcing all buy-back programmes launched on securities issued by the Company.
 - xxv. Preparing the Annual Corporate Governance report and the Annual Report on Directors' Remuneration.
 - xxvi. Evaluating, on a yearly basis, the functioning of the Board of Directors and its Committees and proposing, when appropriate, an action plan to remedy any weaknesses detected.
 - xxvii. Approving and amending these regulations.
 - xxviii. Assuming the powers delegated to the Board by the General Shareholders' Meeting, except where the Board was expressly authorised to sub-delegate the authority and has done so.
 - xxix. Addressing any other matter that the Regulations of the Board of Directors reserves for the Board in a plenary session.
5. Under no circumstances may the Board of Directors delegate the powers that may not be delegated in accordance with Law. In the event of duly justified urgent circumstances, decisions relating to such issues may be taken by delegated bodies or officers, which must be ratified at the first meeting of the Board of Directors following adoption of the decision.
 6. The Board of Directors is responsible for resolving to issue and seek admission to trading of bonds, as well as to agree to grant bond issuance guarantees.

7. With respect to any subsidiaries forming part of the Company's group and within the legal limits foreseen, the Board of Directors may establish the bases for efficient and appropriate coordination between the Company and its group companies. In any event, the Board of Directors will respect the autonomy of the governing and management bodies of group companies, taking into account the interests of both the Company and of its subsidiaries.

ARTICLE 6. CORPORATE INTEREST

The Board of Directors will perform its duties with unity of purpose and independent judgement, according the same treatment to all shareholders in the same conditions. The Board will be guided at all times by the Company's best interest, understood as the creation of a profitable business that is sustainable over time, while maximising its economic value.

Without prejudice to the duty to safeguard the business judgement rule, the Board of Directors will ensure that the Company's interest is suitably reconciled with the legitimate interests of the stakeholders that could be affected. This will be done in accordance with prevailing legislation, fulfilling its obligations and contracts in good faith, respecting the best practices and uses of the sectors and regions in which the Company operates and observing, at all times, any additional social responsibility principles voluntarily assumed.

TITLE III - COMPOSITION OF THE BOARD OF DIRECTORS

ARTICLE 7. QUANTITATIVE COMPOSITION

1. The Board of Directors will be formed by no less than five and no more than 15 members, as determined by the General Shareholders' Meeting.
2. The Board will propose to the General Shareholders' Meeting the number of Directors that, in accordance with the Company's changing circumstances and within the statutory limits, is most appropriate to ensure the due representativeness and proper functioning of the Board.

ARTICLE 8. QUALITATIVE COMPOSITION

1. The different Director categories will be defined pursuant to prevailing regulations.
2. The nature of each Director will be explained to the General Shareholders' Meeting at which the respective appointment is to be made or ratified. Such determination must subsequently be either confirmed or modified in each year's Annual Corporate Governance Report, after verification by the Appointments and Remuneration Committee. In the event an External Director can be deemed neither nominee nor independent, the Company must disclose this circumstance and the links that person maintains with the Company or with its executives or shareholders.
3. Directors shall be exclusively natural persons, notwithstanding the provisions of the twelfth additional provision of the Spanish Companies Act.

TITLE IV - STRUCTURE OF THE BOARD OF DIRECTORS

ARTICLE 9.- CHAIRMAN

1. The Chairman of the Board of Directors will be elected from among all members of the Board, based on a Report by the Appointments and Remuneration Committee.
2. The Chairman is entrusted with the basic power to call and to preside over Board meetings, to create the meeting agenda, to preside over the General Shareholders' Meeting, to ensure that Directors receive sufficient information in advance of meetings in order to deliberate on agenda items, to guide debates and to encourage healthy discussion and active participation.

However, the Chairman must call a meeting of the Board of Directors in the case foreseen in section 4 below of this article and whenever so requested by at least three Directors or, in the event this number represents more than one-third of total Board members, whenever so requested by at least one-third of all members. In this case, the Chairman will call the Board to meet within 15 calendar days from the date the request was submitted. In the event the Chairman fails to call a Board meeting within that 15-day period, the meeting will be called by the Vice-chairman, when such a figure has been appointed. Directors also retain the right to call a Board meeting directly, in accordance with prevailing legislation.

3. As the person charged with the efficient functioning of the Board of Directors and in addition to the functions assigned by Law and the Company's Bylaws, the Chairman will: prepare and submit to the Board a schedule of meeting dates and agenda items; (ii) organise and coordinate regular evaluations of the Board; (iii) exercise leadership of the Board and be accountable for its proper functioning; (iv) ensure that sufficient time is given to the discussion of strategic issues; and (v) approve and review refresher courses for each Director, when circumstances so advise.
4. In the event the Chairman of the Board of Directors performs executive duties, the Board will name a Lead Director from among the Independent Directors. Executive Directors must abstain from participating in this selection. The Lead Independent Director will be entrusted with the following:
 - i. Requesting that the Chairman call a Board meeting whenever the Lead Independent Director deems pertinent.
 - ii. Requesting that certain items be included in the meeting agenda.
 - iii. Coordinating, gathering and giving voice to the concerns of External Directors.
 - iv. Guiding the periodic evaluation of the Chairman of the Board and coordinating the succession plan.
 - v. Presiding over Board meetings in the absence of the Chairman and of any Vice- chairmen.
 - vi. Liaising with investors and shareholders in order to ascertain their points of view and understand their concerns, in particular with respect to corporate governance of the Company.

ARTICLE 10. VICE-CHAIRMAN

The Board may designate one or more Vice-chairmen, on the basis of a report from the Appointments and Remuneration Committee. If more than one Vice-chairman is appointed, each Vice-chairman will be assigned a number. The Vice-chairman will serve as a substitute for the Chairman in the event the Chairman is absent or ill or if the post of Chairman is vacant and whenever so determined by the Chairman. In the case of multiple Vice-chairmen, the order of their numbering will determine the order in which they replace the Chairman.

ARTICLE 11. SECRETARY AND LEGAL COUNSEL TO THE BOARD OF DIRECTORS

1. The Board of Directors will elect a Secretary, at the proposal of the Chairman and based on a report from the Appointments and Remuneration Committee. The Secretary may or may not be a Board member, providing he or she has the capacity to perform the duties inherent to the position. If the Secretary to the Board of Directors is not a Director, he or she will have to right to speak but not to vote at the meetings.

In order to safeguard the independence, impartiality and professional nature of the Secretary, the appointment and removal thereof will be approved by the Board in a plenary session, based on a report from the Appointments and Remuneration Committee.

2. The Secretary will support the Chairman in his or her duties and ensure the efficient running of the Board of Directors and, in particular, provide the Directors with the advice and information that they need, assist the Chairman so that all Directors receive relevant information for carrying out their duties, sufficiently in advance of meetings and in the appropriate format, keep corporate documents, duly and faithfully reflect the meetings in the minute books, and certify the resolutions taken by the Board of Directors. The Secretary must also record any concerns not resolved by the Board in the minutes book, where these concerns were voiced by Directors in respect of the functioning of the Company, as well as any concerns voiced by the Secretary or the Directors on any proposal, at the request of the individual expressing the concern.
3. The Secretary will place special attention on ensuring that the Board's actions and decisions:
 - (i) are in accordance with applicable legislation and regulations;
 - (ii) are in accordance with the Company's Bylaws and the Regulations of the General Shareholders' Meeting, the Regulations of the Board of Directors and the Internal Code of Conduct on Matters Relating to the Securities Market; and
 - (iii) take into account the good governance recommendations applicable to the Company.
4. The Board of Directors will also have a Legal Counsel, who will carry out the functions falling

to him or her under prevailing legislation. The Secretary and, where applicable, the Vice-secretary, may perform the role of Legal Counsel to the Board, when he or she is an attorney and meets all other requirements set out in the related regulations.

ARTICLE 12. VICE-SECRETARY TO THE BOARD OF DIRECTORS

1. The Board of Directors may appoint a Vice-secretary, who need not be a Director, to assist the Secretary in performing his or her duties or to substitute the Secretary in the event of absence thereof and to carry out any other functions or internal Board duties assigned to the Secretary, including in respect of any Board Committees or Commissions.

In order to safeguard the independence, impartiality and professional nature of the Vice-secretary, the appointment and removal thereof will be approved by the Board in a plenary session, based on a report from the Appointments and Remuneration Committee.

2. Except where otherwise decided by the Board of Directors, the Vice-secretary may attend Board meetings in order to assist the Secretary in taking minutes to the meeting and in any other advisory function foreseen in these regulations.

ARTICLE 13. DELEGATED AND ADVISORY BODIES

1. Without prejudice to the authorisation that may be bestowed on any individual, the Board of Directors may create an Executive Committee or designate one or more Chief Executive Officers, delegating to them, permanently or temporarily, any or all of the powers that may be delegated pursuant to Law. In order to be valid, the delegation and appointment of Board members to hold such posts will require the favourable vote of two-thirds of the Board and will not take effect until duly entered in the Companies Registry.
2. The Chairman of the Executive Committee will inform the Board of Directors of the matters discussed and the resolutions passed at the committee meetings. Minutes to these meetings must be compiled and sent to all Board members.
3. An Audit and Control Committee and an Appointments and Remuneration Committee will also be created, each entrusted with the respective information, supervision, advisory and proposal duties specified in these regulations.
4. The Board of Directors may also create other Committees with consultative or advisory duties. By way of exception, these Committees may be given decision-making powers. The Chairmen, Secretaries and other members of these Committees will be appointed by the Board through a simple majority vote.
5. All Committees created by the Board of Directors will be governed by the terms of these regulations and, where applicable, by their respective internal regulations.

ARTICLE 14. AUDIT AND CONTROL COMMITTEE COMPOSITION, RESPONSIBILITIES AND OPERATION

1. The Board of Directors will create a standing Audit and Control Committee for information and advisory purposes. The Audit and Control Committee will not have executive functions, but will be entrusted with informing, advising and making proposals to the Board in its area of responsibility, as set out in this article. The Audit and Control Committee will comprise at least three and at most five members designated by the Board itself from among the Board's Non-Executive Directors. The majority of Audit and Control Committee members must be independent directors, at least one of which will be appointed on the basis of knowledge and experience in accounting or auditing, or both.
2. The Board of Directors will also appoint a Chairman to the Audit and Control Committee from among the Independent Directors serving on that Committee. The Board may also appoint a Vice-chairman if deemed advisable. The provisions governing appointment of the Chairman will apply to any Vice-chairman appointments.
3. The Board will also appoint a Secretary to the Audit and Control Committee, who need not be a member of the Committee. In this case, the non-member Secretary need not be a member of the Board of Directors. The post of Secretary to the Audit and Control Committee may fall to either the Secretary of the Board or to a different individual.
4. Directors serving on the Audit and Control Committee will perform the duties of their committee posts for as long as their mandate on the Board itself, except where the Board of Directors determines otherwise. The renewal, re-election and removal of Directors serving on the Audit

and Control Committee will be governed by the terms established by the Board of Directors.

The Chairman will hold his or her post for a maximum of four years. At the end of this period, the Chairman may not be re-elected to the same position for at least one year. However, the Chairman may continue to be a member of the Committee or be re-elected thereto.

5. Notwithstanding any other duties that may be assigned thereto at any time by the Board of Directors, the Audit and Control Committee will perform the following basic functions:
 - i. Reporting to the General Shareholders' Meeting on any questions put forth by shareholders in relation to those matters for which the Committee is responsible and, in particular, on the results of the audit, explaining how this has contributed to the completeness of the financial information and the role the Audit and Control Committee played in this process.
 - ii. Monitoring the effectiveness of the internal control of the Company and its group, the internal audit and the management systems, and discussing with the statutory auditors any significant weaknesses detected in the internal control system during the course of the audit, without infringing the latter's independence. Where any significant weaknesses are identified, the Committee may present recommendations or proposals to the Board of Directors, including the corresponding monitoring period.
 - iii. Supervising the process of drawing up and presenting the required financial information and presenting recommendations or proposals to the Board of Directors to safeguard the completeness of this financial information.
 - iv. Proposing to the Board of Directors, for submission at the General Shareholders' Meeting, the selection, appointment, re-election and replacement of the statutory auditor, in accordance with prevailing regulations, as well as the terms of engagement, and regularly gathering information therefrom regarding the audit plan and the implementation thereof, in addition to safeguarding the auditor's independence in performing its duties.
 - v. Establishing the appropriate relations with the statutory auditor to receive information on any matters that could jeopardise the auditor's independence and assess this information, along with any other information relating to the audit, and where applicable, the authorisation of the permitted services, within the terms foreseen in prevailing legislation, as well as any other communications provided for in auditing regulations and in other audit standards. In any event, on an annual basis, the Audit and Control Committee must receive from the auditors written confirmation of their independence vis-à-vis the Company any entities directly or indirectly related thereto, as well as detailed and individual information on additional services of any kind rendered to these entities by the statutory auditor or by persons or entities related thereto, and the corresponding fees therefor, as stipulated by auditing legislation.
 - vi. Issuing, on an annual basis and prior to reception of the auditor's report, a report expressing an opinion on whether the independence of the statutory auditor or auditing companies has been compromised. This report must, in all cases, evaluate the provision of the additional services mentioned in the preceding paragraph, considered individually and as a whole, other than statutory audit services and in relation to the rules on independence or in accordance with the audit regulations.
 - vii. Informing the Board of Directors of all matters established by Law, the Bylaws and the Regulations of the Board of Directors and, in particular: (a) the financial information and the management report, including, where appropriate, the required non-financial information, the Company must periodically disclose; (b) the creation or acquisition of interests in special purpose entities or entities domiciled in countries or territories considered to be tax havens; and (c) Related-Party Transactions with related parties in the terms established in article 34.
 - viii. Supervising the Company's internal audit activity.
 - ix. With respect to internal control and reporting systems: (a) supervising and assessing the preparation and completeness of the financial information, and of the non-financial information where appropriate, as well as the control and management systems of financial and non-financial risks related to the Company and, if applicable, to its group, verifying compliance with legal provisions, the accurate demarcation of the scope of consolidation and the correct application of accounting principles; (b) monitoring the independence of the internal audit unit; proposing the selection, appointment, re-election and removal of the

- Internal Audit Director; proposing the service's budget; approving the annual direction and work plan; receiving regular report-backs on its activities; and verifying that senior management acts on the findings and recommendations set out in its reports; and (c) establishing and supervising a mechanism whereby employees and other persons related to the Company can report, on a confidential and anonymous basis, any irregularities with potentially serious implications for the Company, including financial or accounting irregularities, related to the Company, they detect in the Company or its subsidiaries; and (d) ensuring that the internal control policies and systems are effectively applied in practice.
- x. With respect to the statutory auditor: (a) investigating the issues giving rise to the resignation of the statutory auditor, should this come about; (b) ensuring that the remuneration of the statutory auditor does not compromise its quality or independence; (c) ensuring that the Company reports through the CNMV any change of statutory auditor, accompanying a statement of any disagreements arising with the outgoing auditor and the reasons for the same; (d) ensuring that the statutory auditor has a yearly meeting with the Board in full to inform it of the work undertaken and developments in the Company's positions; (e) ensuring that the Company and the statutory auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other requirements concerning auditor independence.
 - xi. Supervising compliance with the Company's codes of conduct and corporate governance rules, as well as the information regarding compliance therewith.
 - xii. Ensuring compliance with the Corporate Social Responsibility Policy and evaluating processes in respect to the different stakeholder groups.
 - xiii. Meeting with any Company employee or executive, even ordering their appearance without the presence of another senior officer.
 - xiv. Addressing any other matter assigned to it by the Board of Directors in the corresponding regulations.
6. The Audit and Control Committee is also entrusted with carrying out those functions specifically attributed to it in any Internal Regulations governing the Audit and Control Committee and approved by the Board of Directors.
 7. The Audit and Control Committee will meet at least once every quarter in order to review the periodic financial information to be submitted to the securities market authorities as well as the information the Board of Directors must approve and include within its annual public documentation. The Committee will also meet at the request of any of its members and whenever convened by its Chairman. The Committee Chairman must call a meeting whenever the Board or the Board Chairman requests the issuance of a report or the adoption of proposals and, in any case, whenever appropriate for the efficient running of the committee.
 8. A quorum will be met at Audit and Control Committee meetings when the majority of its members are present or represented. Resolutions will be adopted by an absolute majority vote of those present or represented. In the event of a tie, the Chairman of the Audit and Control Committee will not have a casting vote.
 9. The secretary of the Committee will take minutes of the meetings which will be approved and signed by all members. The minutes may be sent and signed via electronic means such as Docusign or similar means which provide evidence of the authenticity of the signatures. The secretary of the Committee will send a copy of the minutes of each meeting to all the members of the Board of Directors and the Secretary of the Board. The minutes will be considered sent if uploaded to the Director's Portal of the Company to which all Directors have access.
 10. The Audit and Control Committee will prepare an annual report on its operations, highlighting the main incidents arising, if any, in relation to the functions entrusted to it. When the Audit and Control Committee deems it appropriate, this report will include proposals to improve the Company's rules of governance.
 11. In order to best carry out its functions, the Audit and Control Committee may avail itself of the advice of external experts, when it deems necessary for the adequate fulfilment of its duties.

1. The Board of Directors will create a standing Appointments and Remuneration Committee for information and advisory purposes. The committee will not have executive functions, but will be entrusted with informing, advising and making proposals to the Board in its area of responsibility, as set out in this article. The Appointments and Remuneration Committee will comprise at least three and at most five members designated by the Board itself, at the proposal of the Board chairman, from among the Non-executive Directors. At least two members of the Appointments and Remuneration Committee must be Independent Directors.
2. The Board of Directors will also appoint a Chairman from among the Independent Directors serving on that Committee. The Board may also appoint a Vice-chairman if deemed advisable. The provisions governing appointment of the Chairman will apply to any Vice-chairman appointments.
3. The Board will also appoint a Secretary to the Appointments and Remuneration Committee, who need not be a member of the Committee. In this case, the non-member Secretary need not be a member of the Board of Directors. The post of Secretary to the Appointments and Remuneration Committee may fall to either the Secretary of the Board or to a different individual.
4. Directors serving on the Appointments and Remuneration Committee will perform the duties of their Committee posts for as long as their mandate on the Board itself, except where the Board of Directors determines otherwise. The renewal, re-election and removal of Directors serving on the Audit and Control Committee will be governed by the terms established by the Board of Directors.
5. Notwithstanding any other duties that may be assigned thereto at any time by the Board of Directors, the Appointments and Remuneration Committee will independently perform the following basic functions:
 - i. Evaluating the skills, knowledge and experience required on the Board of Directors, defining the roles and capabilities required of the candidates to fill each vacancy, and deciding the time and dedication necessary for them to effectively perform their duties.
 - ii. Establishing a representation target for the less well-represented gender on the Board of Directors, along with draft guidelines on how to reach this target.
 - iii. Submitting to the Board of Directors proposals for appointment of Independent Directors to be appointed through the co-optation procedure or to be submitted for approval at the General Shareholders' Meeting, as well as proposals for re-election or removal of Directors by the General Shareholders' Meeting.
 - iv. Reporting on proposals for appointment of the other Directors to be appointed through the co-optation procedure or to be submitted for approval at the General Shareholders' Meeting, as well as proposals for re-election or removal of Directors by the General Shareholders' Meeting.
 - v. Reporting on proposals for appointment and removal of management personnel and the basic terms and conditions of their contracts.
 - vi. Examining and organising the succession of the Chairman of the Board and the Company's Chief Executive Officer and, if appropriate, making proposals to the Board of Directors in order for such succession to occur in an orderly and planned manner.
 - vii. Proposing to the Board of Directors the remuneration policy for Directors and general managers and for management personnel reporting directly to the Board of Directors, the Executive Committee or a Chief Executive Officer, as well as the individual remuneration and other contractual conditions of Executive Directors, ensuring compliance therewith.
 - viii. Verifying compliance with the Remuneration Policy set by the Company.
 - ix. Periodically reviewing the Remuneration Policy for Directors and senior executives, including share-based remuneration systems and their application, and ensuring that their individual compensation is proportionate to the amounts paid to other Directors and senior executives.
 - x. Ensuring that any potential conflicts of interests do not jeopardise the independence of the external advice furnished to the Committee.
 - xi. Verifying the information on the remuneration of Directors and senior executives

contained in corporate documents, including the annual report on Directors' remuneration.

6. The Appointments and Remuneration Committee is also entrusted with carrying out those functions foreseen in any Internal Regulations governing the Committee and approved by the Board of Directors.
7. The Appointments and Remuneration Committee will hold ordinary meetings every three months, or at least four times per year. The Committee will also meet at the request of any of its members and whenever convened by its Chairman. The Committee Chairman must call a meeting whenever the Board or the Board Chairman requests the issuance of a report or the adoption of proposals and, in any case, whenever appropriate for the efficient running of the Committee.
8. A quorum will be met at Appointments and Remuneration Committee meetings when the majority of its members are present or represented. Resolutions will be adopted by an absolute majority vote of those present or represented.
9. The secretary of the Committee will take minutes of the meetings which will be approved and signed by all members. The minutes may be sent and signed via electronic means such as Docusign or similar means which provide evidence of the authenticity of the signatures. The secretary of the Committee will send a copy of the minutes of each meeting to all the members of the Board of Directors and the Secretary of the Board. The minutes will be considered sent if uploaded to the Director's Portal of the Company to which all Directors have access.
10. The Appointments and Remuneration Committee must consult with the Chairman and Chief Executive Officer, especially on matters relating to Executive Directors and management personnel.
11. In order to best carry out its functions, the Appointments and Remuneration Committee may avail itself of the advice of external experts, when it deems necessary for the adequate fulfilment of its duties, seeking to ensure that any potential conflicts of interests do not jeopardise the independence of the external advice furnished to the Committee.
12. The Appointments and Remuneration Committee will draft its own regulations to govern its composition, powers and operation, which must be approved by the Board of Directors.

TITLE V - OPERATION OF THE BOARD OF DIRECTORS

ARTICLE 16. BOARD OF DIRECTORS MEETINGS

1. The Board of Directors will meet with the frequency appropriate for it to efficiently carry out its duties and at least once every three months, following the schedule of meeting dates and agenda items established at the beginning of the year. Directors may propose other agenda points that were not initially foreseen, providing that such a request is made no later than three calendar days before the scheduled meeting date.
2. The Board of Directors will also meet as many times as the Chairman deems appropriate for the proper operation of the Company and whenever a meeting is requested in the terms set out in articles 9.2 and 9.4, above.
3. The call to Board of Directors meetings will be issued by the Secretary to the Board or by the person fulfilling those duties, with the authorisation of the Chairman. Meeting notices will be issued through any means whereby each Board member listed in the Company's records can duly receive the notice. The meeting notice will be issued at least 72 hours in advance of the meeting time. The meeting agenda must be included in the notice, along with duly prepared and summarised relevant information.
4. The meeting agenda must clearly indicate the points on which Directors are to adopt a decision or resolution, so they can study or gather, in advance, any information they need for an informed vote. For reasons of urgency, the Chairman may wish to present decisions or resolutions for Board approval that were not on the meeting agenda. In such exceptional circumstances, their inclusion will require the express prior consent, duly minuted, of the majority of Directors present or represented at the meeting.
5. The Chairman of the Board may call extraordinary Board meetings when, in his or her opinion, circumstances so warrant. In this case the advanced notice term and other requirements laid out in the previous paragraphs will not apply. Nevertheless, any documentation to be provided to Directors must be distributed sufficiently in advance, except where the Board meeting was

exceptionally arranged due to urgent reasons.

6. Notwithstanding the foregoing, the Board of Directors meeting will be considered validly held without the need for a notice if all members are present or represented by proxy and unanimously agree to hold a meeting and to the agenda items to be discussed. Moreover, if no Director voices a disagreement thereto, the Board of Directors may vote on matters in writing, without holding a meeting. Votes may be issued in writing or using email, providing that the identity of the voting Director is duly evidenced.
7. At the beginning of each year, the Board will prepare an annual schedule of its ordinary meetings.
8. The Board of Directors will meet at the Company's registered offices, unless another venue is specified in the meeting notice.
9. Notwithstanding the above, the Board of Directors may meet at several venues connected by telecommunications systems that enable each member present to be duly identified, that allow for uninterrupted communication between members, irrespective of their location, and that enable each member to speak and vote, all in real time. Subject to the above, Board meetings may be held through conference calls, videoconference or other similar systems.

For the purposes of the Board of Directors, members attending from any location will be deemed to have attended a single, unified meeting. The meeting will be deemed to have been held at the registered office.

The foregoing shall also apply to the meetings of the Audit and Control Committee and the Appointments and Remuneration Committee.

ARTICLE 17. MEETING STRUCTURE

1. A quorum will be met at Board meetings when one-half plus one of its members are present or represented by another Director.
2. Board members must make all possible efforts to attend Board meetings (in person or by telecommunications systems). When they are essentially unable to do so in person, they must grant the proxy representation in writing, on a special basis for each meeting, to another Board member, providing the appropriate instructions and reporting this circumstance to the Chairman of the Board. Non-Executive Directors may only be represented by another Non-Executive Director. Directors' absences must be quantified in the Annual Corporate Governance Report.
3. The Chairman will organise and encourage debate at the meetings, promoting the active participation of all Directors, while safeguarding Directors' freedom to take positions and to express their opinions.
4. Except where the Law or the Bylaws specifically establish other voting quorums, resolutions will be adopted by an absolute majority vote of Directors attending the meeting in person or represented by proxy. In particular, the appointment and removal of Chief Executive Officers and the termination agreements therefor, as well as the prior approval of contracts between the Company and Executive Directors will require the favourable vote of at least two-thirds of Board members. The Director in question must refrain from voting in this case. In the event of a tie, the Chairman will not have a casting vote.
5. Minutes to the Board of Directors meetings will be drawn up and signed at least by the Chairman (or, if applicable, the Vice-chairman) and the Secretary or Vice-secretary. The minutes will be transcribed or entered, pursuant to legal requirements, into a special book of minutes of the Board of Directors meetings.
6. The minutes will be approved by the Board of Directors itself at the end of the meeting or at a subsequent one. They may also be approved and signed after a meeting has been held, via electronic means, using Docusign or similar means, provided this allows them to be read in full and provides evidence of the authenticity of the signature. The minutes signed will be made available to all Directors in electronic form, uploaded to the Director's Portal of the Company.

TITLE VI - APPOINTMENT AND REMOVAL OF DIRECTORS

ARTICLE 18. APPOINTMENT AND RE-ELECTION OF DIRECTORS

1. Directors will be appointed by the General Shareholders' Meeting or by the Board of Directors through the co-optation procedure, on the basis of a report by the Appointments and Remuneration Committee or, in the case of Independent Directors, at the proposal of that Committee, in accordance with applicable regulations, the Company Bylaws and these regulations.
2. Shortly after their appointment, new Directors will receive sufficient knowledge about the Company and its corporate governance rules.
3. To the extent applicable, Board members will be subject to Law 53/1984 of 26 December on Conflicts of Interest among Public Administration Personnel and Law 3/2015 of 30 March governing the exercise of senior positions in the General State Administration, as well as to other related legislation.
4. The Board of Directors will strive to ensure that persons of recognised trustworthiness, abilities and experience are selected, and will be extremely rigorous regarding those who are called to fill the posts of Independent Director.
5. Prior to proposing the re-election of Directors to the General Shareholders' Meeting, the Board will evaluate the quality of the work performed and the dedication to the post of those Directors during their previous tenure on the Board. The Directors in question will abstain from participating in this evaluation.

ARTICLE 19. TERM OF OFFICE

1. Directors will remain in their posts for a term of three years. At the end of this three- year period, Directors may be re-elected one or more times for periods of equal length.
2. Directors' appointments will expire upon the first General Shareholders' Meeting held following the end of their mandated term or upon expiry of the legal period for holding the General Shareholders' Meeting at which the annual financial statements of the previous year were to be approved.
3. Directors appointed through the co-optation procedure will remain in their posts until the first General Shareholders' Meeting held subsequent to their appointment. In the event the shareholders, at that General Shareholders' Meeting, do not ratify the appointment, the Director will be removed from the Board. In the event a post on the Board becomes vacant after the General Shareholders' Meeting is called but before it is held, the Board may appoint a Director to serve up until the date of the next General Shareholders' Meeting.
4. Independent Directors may not remain in their posts for a continuous period of more than 12 years.

ARTICLE 20. REMOVAL OF DIRECTORS

1. Directors will cease to hold office once their term of office has expired and when removed by the General Shareholders' Meeting by virtue of the powers vested therein by Law and the Company Bylaws.
2. Directors must place their posts under the review of the Board and, where the Board deems appropriate, tender their resignation in the following cases:
 - i. When they no longer occupy the executive positions by virtue of which they were appointed.
 - ii. When they are involved in any of the cases of conflict of interest or disqualification stipulated by Law.
 - iii. When they are seriously admonished by the Board of Directors as a result of breaching their obligations as Directors.
 - iv. When their presence on the Board could jeopardise the interests, credibility and reputation of the Company or when the reasons for their appointment cease to exist, including but not limited to significant changes in their professional situation or in the conditions by virtue of which they were appointed as Directors.
 - v. When they are prosecuted for an allegedly criminal offense or when supervisory bodies have charged them with serious or very serious offenses.

- vi. Nominee Directors must resign when: (i) the shareholders they represent dispose of their ownership interest in its entirety or reduce it significantly; and (ii) such shareholders reduce their stakes to a level requiring a reduction of the number of its Nominee Directors, in which case the latter's number should be reduced accordingly.
- vii. When they serve on the boards of directors (or governing bodies) of more than four companies which are not part of the Company's group. For these purposes, positions in holding companies or in companies in which a Director acts as nominee director shall not be considered. Likewise, companies within the same corporate group shall be considered as a single company.
- viii. When due to facts attributable to the Director, his or her remaining on the Board could cause serious damage to the corporate net worth or reputation, in the judgment of the Board.

ARTICLE 21. OBJECTIVE VOTING

Directors affected by any proposals for appointment, re-election or removal must abstain from participating in the related discussions and votes.

TITLE VII - INFORMATION RESPONSIBILITIES

ARTICLE 22. INFORMATION AND INSPECTION DUTIES

1. Directors have the duty of diligently informing themselves on the running of the Company. To that end, they may request information on any aspect falling to the Board of Directors and examine the Company's books, ledgers, records and other documentation. The right to information extends to subsidiaries and to investees, provided that this information is available.
2. Requests for information must be submitted to the Secretary to the Board of Directors, who will forward the request to the Chairman of the Board and to the appropriate liaison at the Company.
3. The Secretary will inform Directors of the confidential nature of the information requested and received, as well as of their confidentiality duties pursuant to these regulations.
4. The Chairman may deny the request for information if he or she considers that: (i) it is not necessary for the proper performance by Directors of their assigned duties; or (ii) the cost is not reasonable, in view of the magnitude of the issue and the assets and revenues of the Company.

ARTICLE 23. ASSISTANCE FROM EXPERTS AND KNOWLEDGE REFRESHER PROGRAMMES

1. In order to assist them in carrying out their duties, all Directors are entitled to receive relevant guidance from the Company. To that end, the Company will provide suitable channels, extending in special circumstances to external assistance at the Company's expense.

These services must relate to specific, important and complex problems arising during the performance of Directors' duties.
2. The decision to engage external advisors at the Company's expense lies with the Chairman of the Board of Directors. This decision may be vetoed by the Board, provided it demonstrates that:
 - i. It is not necessary for the proper fulfilment of the duties entrusted to the External Director in question;
 - ii. The cost is not reasonable, in view of the magnitude of the issue and the assets and revenues of the Company; or
 - iii. The technical assistance to be received may be adequately provided by the Company's own experts and specialists.

TITLE VIII - REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS

ARTICLE 24. REMUNERATION OF DIRECTORS

1. Directors are entitled to receive the remuneration established in the Company Bylaws. The total remuneration the Company may pay to all Directors in their capacity as such may not exceed the amount determined by the General Shareholders' Meeting. Additionally, Executive Directors shall be entitled to receive the remuneration established in the contracts entered into between each Director and the Company for the performance of executive duties.
2. The Board of Directors will determine the specific amount corresponding to each Director in his capacity as such, as well as the frequency and form of payment, all in accordance with the Company's Bylaws and the Director's Remuneration Policy, on the basis of a report by the Appointment and Remunerations Committee. Director's Remuneration Policy shall establish the criteria for the distribution, considering the duties and responsibilities of each Director. The Board of Directors will also determine the remuneration of the Executive Directors for the performance of executive duties, on the basis of a report by the Appointments and Remunerations Committee, and in compliance with the provisions of their contracts.
3. Director remuneration must be reasonably proportionate to the magnitude of the Company, the Company's financial position at any time and market conditions in companies of similar size or activity, and must take into account the Director's dedication to the Company. The remuneration system must be aimed at promoting the Company's long-term business strategy, profitability, interests and sustainability and include the necessary safeguards to avoid excessive risk-taking or the reward of poor performance. In particular, in the event the remuneration system features variable compensation mechanisms, the system must include the limits and safeguards needed to ensure that variable remuneration is proportionate to the professional performance of the recipients and does not derive solely from general market or sector gains.
4. The Board of Directors must also ensure that the remuneration received by External Directors is sufficient to incentivise their dedication without compromising their independence.
5. Remuneration linked to Company earnings must take into account any qualifications stated in the auditor's report that reduce their amount.

In the event a correction is made to the annual financial statements on which remuneration was based, the Board of Directors will evaluate whether to cancel or reinstate, partially or in full, the variable compensation paid.

6. The Board of Directors will prepare an annual report on Directors' remuneration, in the terms established in applicable regulations.

This report will be made available to shareholders when the Ordinary General Shareholders' Meeting is called and will be submitted for voting as a separate item on its agenda.

TITLE IX - DIRECTOR DUTIES

ARTICLE 25. GENERAL OBLIGATIONS FALLING TO DIRECTORS

1. In performing their duties, Directors must act with the diligence of a careful business owner and a loyal representative, taking into account the nature of the post and the responsibilities attributed to each Director and subordinating, in all events, their own interests to those of the Company. Their actions will be guided solely by good faith and the interest of the Company, as they strive to defend and protect the interests of the shareholders as a whole, from whom their mandate derives and to whom they are accountable. In particular, Directors are required to:
 - i. Be informed regarding and prepare suitably for Board meetings and meetings of any Board committees on which they serve.
 - ii. Attend Board of Directors meetings and take an active part in deliberations, so their opinions can effectively contribute to decision-making.

If, for a justified reason, a Director is unable to attend a meeting to which he or she has been called, that Director must provide detailed instructions to a proxy Director named for that purpose.
 - iii. Contribute their strategic vision, as well as innovative measures, opinions and concepts for the optimal functioning and performance of the Company's business (this particularly applies to Independent Directors).

- iv. Perform their duties under the principle of individual accountability, freedom of criteria or judgement and independence with respect to instructions from and relationships with third parties.
 - v. Carry out any specific task entrusted to them by the Board of Directors or any of its delegated and/or advisory bodies that is reasonably within the purview of their dedication undertaking.
 - vi. Encourage investigation into any irregularities in Company management of which they have been informed and immediately forward this information to the Board of Directors, while monitoring any risk situation.
 - vii. Urge persons with meeting-calling capacity to call an extraordinary meeting of the Board of Directors or to include the points they deem appropriate in the agenda of the first meeting to be held.
 - viii. Oppose any resolutions that are contrary to the Law, to the Bylaws or to the Company's interest, and request that their position be entered into the minutes when they deem that such action is more appropriate to safeguard the Company's interest. Independent Directors and other Directors not affected by a potential conflict of interest must particularly and clearly express their opposition in the event of decisions that could cause detriment to the shareholders not represented on the Board of Directors.

If the Board takes material or reiterated decisions about which a Director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes must set out their reasons in a resignation letter.

This provision also applies to the Secretary of the Board and, where applicable, to the Vice-secretary, even if such an individual is not a Director.
2. In any event, Directors must dedicate the time and effort needed to effectively carry out their duties. Consequently, Directors must inform the Appointments and Remuneration Committee of their other professional obligations, lest they interfere with the dedication required.

ARTICLE 26. CONFIDENTIALITY OBLIGATION

- 1. Directors will keep secret all deliberations of the Board of Directors and the Board committees on which they serve and, in general, will refrain from disclosing the information to which they have been privy in performing their duties.
- 2. The duty of confidentiality will remain even after Directors have left their position. Directors must keep secret all confidential information and all information, data, reports or background of which they become aware as a result of performing their duties. Directors may not communicate said information to third parties or disclose it when so doing might be detrimental to the Company's interest. Excepted from the duties referred to in this paragraph are cases in which the Law permits information to be disclosed to third parties, as are, if applicable, cases in which directors are ordered to disclose the information to the respective oversight authorities, in which case the relinquishment of information must conform to legal requirements.

ARTICLE 27. NON-COMPETE OBLIGATION

- 1. Directors must refrain from engaging in activities, whether on their own account or through third parties, that in effect or potentially involve their entering into competition with the Company or that place them in ongoing conflict with the interests of the Company in any other way.
- 2. The obligation to not compete with the Company may only be waived if no damage is expected to be caused to the Company or if the Company is expected to be compensated for the earnings lost by virtue of the waiver. The waiver must be granted through an express and separate resolution by the General Shareholders' Meeting.
- 3. In any case, at the request of any shareholder, the General Shareholders' Meeting will vote on the removal of any Director engaging in competitive activities, should the risk of harm to the Company have grown significant.

ARTICLE 28. CONFLICTS OF INTEREST

- 1. A conflict of interest will be deemed to exist in those situations in which the interest of the Company or of any company within its group enters into direct or indirect conflict with the

personal interest of a Director. A personal interest will be considered to exist for a Director when a matter affects him or her, or a person related thereto or, in the case of Nominee Directors, when a matter affects the shareholder(s) proposing or bringing about their appointment or parties related directly or indirectly to the latter.

For the purposes of these regulations, the following will be considered parties related to Directors:

- a) The Director's spouse or person with a similar personal relationship.
- b) Ascendants, descendants and siblings of the Director or of the Director's spouse (or the person with which the Director shares a similar personal relationship).
- c) Spouses (or persons with a similar personal relationship) of the Director's ascendants, descendants or siblings.
- d) Companies or entities in which the Director possesses, either directly or indirectly (including through an interposed person), a holding that grants him or her significant influence, or companies or entities (including parent companies), where he or she is a member of the governing body or senior management team. In this regard, granting significant influence will be understood as a holding of 10% or more of the share capital or voting rights, through which it has been possible to obtain, de facto or de jure, representation on the company's governing body.
- e) Shareholders represented by the Director in the management body.

Directors must report any direct or indirect conflicts of interest to the Board of Directors and refrain from acting as a representative of the Company in the related transaction, except for in the exemption cases foreseen in prevailing legislation. Furthermore, the Company must report, when so required by Law, any conflicts of interest involving Directors (or related parties thereof) during the period in question, of which they have been informed by the affected Director or through any other means. Any conflicts of interest involving Directors must be disclosed in the notes to the Company's annual financial statements.

ARTICLE 29. USE OF COMPANY ASSETS

Directors may not use the Company's assets, including the Company's confidential information, or avail themselves of their position at the Company to obtain an economic advantage unless they have paid an adequate consideration.

ARTICLE 30. NON-PUBLIC INFORMATION

Directors must observe the rules of conduct established in the regulations governing the securities market and, in particular, those laid down in the Internal Code of Conduct on Matters Relating to the Securities Market, in respect of inside information.

ARTICLE 31. BUSINESS OPPORTUNITIES

1. Directors may not avail of a business opportunity involving the Company, for their own benefit or for that of a party related thereto as defined in article 28 herein, unless the opportunity is first offered to the Company and the Company declines to pursue it.
2. For the purposes of the preceding paragraph, a business opportunity is understood to be any possibility of carrying out an investment or commercial operation that has arisen or has been discovered in connection with the Director's performance of his or her duties or the Director's use of the Company's resources and information, or that has arisen under circumstances that reasonably indicate that a third party offer was in fact intended for the Company.

ARTICLE 32. INDIRECT DEALINGS

Directors violate their duties of loyalty vis-à-vis the Company if, with prior knowledge, they permit or fail to disclose the existence of transactions carried out by the related parties indicated in article 28 herein, that were not submitted to the conditions and controls set forth in the preceding articles.

ARTICLE 33. DISCLOSURE REQUIREMENTS FOR DIRECTORS

1. Directors must inform the Company of the Company shares they hold directly or indirectly through the related parties indicated in article 28 herein, in accordance, in all respects, with the Internal Code of Conduct on Matters Relating to the Securities Market.
2. Directors must also inform the Company of the positions they hold and the activities they carry

out in the governing bodies of other companies and, in general, of facts, circumstances or situations that may prove significant for their performance as Company Directors, pursuant to the terms of these regulations. To that end, Directors may not serve on the boards (or governing bodies) of more than four other non-group companies. For these purposes, positions in holding companies or in which a Director acts as Nominee Directors shall not be considered. Likewise, companies within the same group shall be considered as a single company.

3. Likewise, Directors must also inform the Company of any circumstance that might harm the Company's name or reputation. In particular Directors must inform the Board of any criminal case for which they are under investigation and of any significant procedural step in such proceedings.

In the event that a Director has been indicted or tried for any of the criminal offenses stated in the corporate legislation, the Board of Directors will examine the case as soon as possible and, in light of the particular circumstances, will decide whether or not the Director should remain in post. This circumstance shall be reported, in a reasoned manner, in the Annual Corporate Governance Report.

ARTICLE 34. RELATED PARTY TRANSACTIONS

1. Transactions that the Company or its dependent companies carry out with (i) Directors, (ii) shareholders holding 10% or more of the voting rights or those represented on the Board of Directors of the Company, or (iii) any other persons who must be considered related parties pursuant to the applicable regulations in force at any given time will be considered related-party transactions (all of the same, "**Related-Party Transactions**").

Related-Party Transactions shall not include those transactions that are not considered as such by Law and, in particular: (i) transactions between the Company and its direct or indirect wholly-owned dependent companies, or between these dependent companies; or (iii) transactions between the Company and its subsidiaries or dependent companies provided that no other related party to the Company holds interests in such subsidiaries or dependent companies.

2. The General Shareholders' Meeting will be the body responsible for approving the Related-Party Transactions for an amount that is equal to or greater than 10% of the total asset entries according to the last annual balance sheet approved by the Company. In this case, the shareholder in question will not be able to exercise their voting right, unless the proposed resolution has been approved by the Board of Directors without the majority of Independent Directors voting against it.

Approval of any other Related-Party Transactions will be the responsibility of the Board of Directors, which will not be able to delegate this responsibility except in relation to the Related-Party Transactions indicated in section 5 following this article. The affected Director or the one represented by or linked to the affected shareholder will refrain from participating in the deliberation and vote on the corresponding resolution, except in legally applicable cases.

3. Related-Party Transactions will have to be approved following a report from the Audit and Control Committee, which will have to assess whether the transaction is fair and reasonable for the Company and, if applicable, for the rest of shareholders apart from the related party, in accordance with the provisions of the Law. Directors affected by the Related-Party Transaction will not participate in the drafting of this report.

The Audit and Control Committee will issue its report with the corresponding advice from the Company's internal departments, as well as being able to request external advice when it sees fit.

4. The Board of Directors may delegate to the Chief Executive Officer the task of approving the following Related-Party Transactions:
 - Transactions between the companies that form part of the same group carried out as part of the day-to-day management, including those resulting from the execution of a framework agreement or contract and concluded at arm's length terms, that is, under a set of economic conditions similar to those existing on the market at the moment the Related-Party Transaction is to take place.
 - Transactions that simultaneously meet all three of the following conditions: (i) that are carried out by virtue of agreements with standardised conditions that are applied across

- the board to a large number of clients; (ii) that are carried out at prices or rates that are established in general terms by those acting as supplier of the asset or service in question; and (iii) those in which the amount does not exceed 0.5% of the Company's net turnover.
5. The approval of the transactions referred to in the foregoing section will not require a prior report from the Audit and Control Committee, although the Board of Directors will have to approve an internal report and periodic oversight procedure in which the Audit and Control Committee is involved, in order to verify the fairness and transparency of such transactions and compliance with the applicable legal criteria.
 6. The Company will disclosed the Related-Party Transactions with the scope and in the manner provided for by Law.

TITLE X - BOARD OF DIRECTORS POLICY ON INFORMATION AND RELATIONS

ARTICLE 35. WEBSITE

1. The Company will maintain a corporate website so that shareholders can exercise their right to information and in order to publish the information required by securities market regulations. The website must include links to the documents and information mandated under prevailing legislation, including in respect of the call to the General Shareholders' Meeting, along with any other documentation and information the Board of Directors considers should be made available to shareholders through this resource.
2. The Company will disclose the following Director particulars on its website and keep them regularly updated:
 - i. Background and professional experience.
 - ii. Directorships held in other companies, listed or otherwise, and other paid activities they engage in, of whatever nature.
 - iii. Statement of the Director category to which they belong, in the case of Nominee Directors indicating the shareholder they represent or have links with.
 - iv. The date of their first and subsequent appointments to the Board.
 - v. Shares held in the Company and any options on the same.
3. The Board of Directors must compile the information to be posted on the Company's website in compliance with prevailing regulations. The Board is responsible for updating this information as provided for by Law.

ARTICLE 36. RELATIONS WITH SHAREHOLDERS

1. The Board of Directors will familiarise itself with any proposals formulated by shareholders with regard to management of the Company.
2. Through some of its Directors and with the collaboration of the members of senior management the Board deems appropriate, the Board may organise informational meetings on the running of the Company and its group, for shareholders residing in the most important financial markets, either in Spain or other countries.
3. The Board of Directors will also establish adequate mechanisms for the regular sharing of information with institutional investors holding interests in the Company. In no event may the relations between the Board of Directors and these institutional shareholders translate into the delivery to the latter of any information that might give them a privilege or advantage over other shareholders.
4. Public requests for proxy representation made by the Board of Directors or by any of its members must indicate how the representative must vote in the event the shareholder does not give instructions.
5. The Board of Directors will promote shareholders' informed participation at the General Shareholders' Meeting and will adopt all timely measures required to allow the General Shareholders' Meeting to effectively exercise the duties falling to them in accordance with the Law and the Company's Bylaws.

In particular, the Board of Directors will adopt the following measures:

- i. It will strive to make available to the shareholders, prior to the General Shareholders' Meeting, all information that can legally be demanded and all information that, even though not legally demandable, may be of interest and can be reasonably provided.
- ii. It will respond, with utmost diligence, to requests for information formulated by shareholders prior to the General Shareholders' Meeting.
- iii. Also with utmost diligence, it will answer questions posed by shareholders during the course of the General Shareholders' Meeting.

ARTICLE 37. RELATIONS WITH MARKETS

1. The Board of Directors, through filings with the CNMV and the corporate webpage, will immediately provide the public with all information required in the terms set forth in prevailing regulations.
2. The Board of Directors will designate one or more individuals to serve as authorised representatives before the Spanish Securities Market Commission, notifying the latter of any such appointment, in accordance with the pertinent regulations.
3. The Board of Directors will adopt the necessary measures to ensure that regular financial information and any other financial information to be made available to markets following prudent criteria is prepared in accordance with the same principles, criteria and professional practices as used in the annual financial statements and is as reliable as the latter.
4. In its annual public documentation, the Board of Directors will include disclosures on the Company's corporate governance rules and the degree of compliance therewith.

ARTICLE 38. RELATIONS WITH AUDITORS

1. The Audit and Control Committee is entrusted with proposing to the Board of Directors, for submission to the General Shareholders' Meeting, the designation (indicating the contract conditions and the scope of the professional engagement), renewal and removal of the Company's statutory auditor and with supervising compliance with the audit contract, pursuant to article 14 herein and to any Audit and Control Committee internal regulations approved by the Board of Directors, where appropriate. The Audit and Control Committee will refrain from proposing to the Board of Directors, and the Board will refrain from submitting to the General Shareholders' Meeting, the appointment as statutory auditor of any audit firm meeting any of the disqualification criteria foreseen in prevailing audit legislation, as well as any other firm in which the fees to be paid by the Company, for all items, exceed 5% of total revenue during the previous reporting period.
2. The Audit and Control Committee shall ensure that the annual accounts submitted to the General Shareholders' Meeting are drawn up in accordance with accounting regulations. And in those exceptional cases in which the auditor has included in its audit report any qualifications, the Chairman shall clearly explain at the meeting the opinion of the Committee on the content and scope of such qualifications.
3. The Board of Directors will publicly disclose, in the manner foreseen in prevailing regulations, the detailed breakdown of the statutory audit fees and fees for other services rendered by the auditor, as well as any fees charged by persons or entities related therewith.